Saskmilk

UPDATE

July 17, 2012

QUOTA EXCHANGE

The market-clearing price established for the July, 2012 Quota Exchange was $30,500.00

The next Quota Exchange will be held on August 15, 2012. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the SaskMilk office by midnight, August 6, 2012. SaskMilk recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

Just a reminder to producers that when making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange. Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange. The clearing price is set at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase.

The results of the Quota Exchange are outlined in the following Table.

JULY, 2012 QUOTA EXCHANGE RESULTS SUMMARY

Market Clearing Price per kilogram of butterfat	**$30,500.00**
Daily Kilograms offered to Purchase	**50.00**
Kilograms offered to Sell	**200.24**
Kilograms sold	**45.00**
Number of Producers	
- offered to purchase	**1**
- purchased quota	**1**
- offered to sell	7
- sold quota	**2**

JULY, 2012 QUOTA EXCHANGE CLEARING PRICE RESULTS

Price ($/daily kg b.f.)	No. of Sellers	Cumulative Sellers	Daily Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Daily Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
$29,500.00	1	1	5.00	5.00	-45.00	50.00	0.00	1	0
$30,500.00	**1**	**2**	**40.00**	**45.00**	**-5.00**	**50.00**	**0.00**	**1**	**0**
$31,000.00	1	3	12.00	57.00	7.00	50.00	0.00	1	0
$31,200.00	3	6	121.00	178.00	128.00	50.00	50.00	1	1
$32,825.00	1	7	22.24	200.24	200.24	0.00	0.00	0	0

TRANSFER CREDIT SUMMARY REPORT

MONTH	# OF PRODUCERS TRANSFER IN	# OF PRODUCERS TRANSFER OUT	TOTAL KGS BUTTERFAT
June	20	18	21,400
July	14	13	18,903
August	19	26	29,476
September	14	13	15,745
October	23	21	25,971
November	25	27	27,199
December	23	22	22,169
January, 2012	18	16	22,543
February	18	16	13,595
March	16	16	8,585
April	30	18	27,232
May	13	12	12,700
June	11	12	9,467

OVER QUOTA (OVER 10 DAYS) REPORT BY MONTH

MONTH	# OF PRODUCERS	KGS BUTTERFAT
June	2	392
July	2	267
August	1	78
September	2	157
October	3	357
November	3	329
December	4	1,032
January, 2012	10	2,606
February	11	4,724
March	11	3,154
April	27	9,368
May	22	3,358
June	9	1,120

SUMMARY REPORT OF CREDITS June, 2012 – 174 PRODUCERS

DAYS	# OF PRODUCERS	POSITIVE CREDITS ACCUMULATED (KGS OF BUTTERFAT)
+10	0	0
+ 5 to +10	14	6,030
0 to + 5	64	21,631
TOTAL	78	27,661
DAYS	**# OF PRODUCERS**	**NEGATIVE CREDITS ACCUMULATED (KGS OF BUTTERFAT)**
-20	0	0
-15 to -20	12	-19,385
-10 to -15	15	-43,825
-5 to -10	20	-19,058
0 to -5	48	-15,410
TOTAL	95	-97,678

WEIGHTED AVERAGE COMPONENT TESTS & PRICES June, 2012

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	3.7941	11.645721
Protein	3.2569	8.645721
Other Solids	5.7090	1.233048

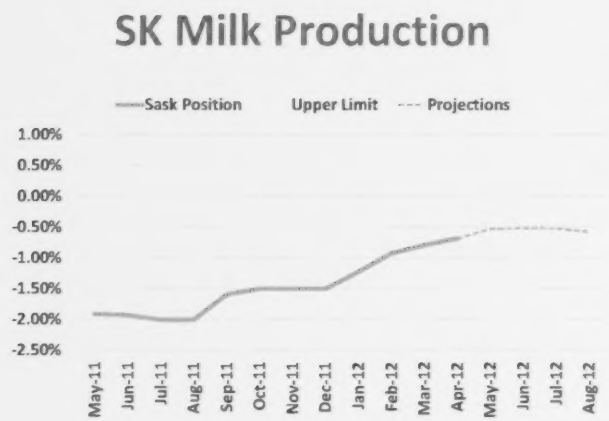
Based on the average component tests for the province, the average price received was **$79.3829** per hectolitre. **The average butterfat price received per kilogram was $20.89.**

SASKATCHEWAN MILK POOL RESULTS June, 2012

Milk Sale Revenue	$ 14,348,479.36
Western Milk Pool	$ 1,137,717.61
Dairy Farmers of Canada Skim Off	$ - 15,734.13
Plant of Last Resort Service	$ - 54,770.49
Total Pool Value	**$ 15,415,692.35**

LOST OPPORTUNITY REPORT

MONTH	# OF PRODUCERS	LOST OPPORTUNITY (KGS OF BUTTERFAT)
June	18	5,490
July	24	7,904
August	24	10,994
September	28	13,098
October	21	8,137
November	18	5,354
December	10	2,240
January, 2012	6	1,106
February	4	1,487
March	8	3,854
April	13	9,776
May	10	5,501
June	11	6,523



In June, Saskatchewan had a monthly CDC allocation of **723,028 kilograms** of butterfat. In the month of June, Saskatchewan production was **14,893 kilograms** of butterfat **over** and cumulatively **under** by **-35,917 kilograms** of butterfat. On a percentage basis, Saskatchewan is at **-0.40%** within our CDC allocation flexibility limits based on the Continuous Quota model. The -1.50% lower flexibility limit is in effect.

	(1) Monthly Total Production Kgs bf	(2) Total Monthly CDC Quota Allocation Kgs bf	(3) Monthly Over or (Under) Production Kgs bf col. 1 – 2 = 3	(4) Lower Flexibility Limit **(1.5%)** Kgs bf col. 9 * -1.5%	(5) Upper Flexibility Limit **1.0%** Kgs bf col. 9 *1.0%	(6) Cumulative Over or (Under) Production with limits Kgs bf	(7) Cumulative Over or (Under) Production with limits in - % col. 6 / 9	(8) Over Quota or (Lost Production Opportunity) Kgs bf	(9) Rolling 12 Month Total Quota Kgs bf
June-11	723,059	725,685	(2,626)	(177,134)	44,283	**(170,871)**	**-1.93%**	0	8,656,690
July-11	725,673	736,879	(11,206)	(177,781)	44,445	**(177,781)**	**-2.00%**	(4,296)	8,889,063
Aug-11	733,202	745,258	(12,056)	(178,337)	44,584	**(178,337)**	**-2.00%**	(11,500)	8,917,847
Sep-11	716,780	744,377	(27,597)	(178,670)	44,667	**(142,052)**	**-1.59%**	(63,882)	8,933,497
Oct-11	762,771	774,160	(11,389)	(134,262)	44,754	**(134,262)**	**-1.50%**	(19,179)	8,950,830
Nov-11	754,256	767,286	(13,030)	(134,481)	44,827	**(134,481)**	**-1.50%**	(12,811)	8,965,400
Dec-11	786,189	790,598	(4,409)	(134,551)	44,850	**(138,320)**	**-1.54%**	(570)	8,970,053
Jan-12	800,269	771,312	28,987	(134,755)	44,918	**(109,363)**	**-1.22%**	0	8,983,638
Feb-12	752,035	725,489	26,546	(135,400)	45,133	**(82,817)**	**-0.92%**	0	9,026,671
Mar-12	781,420	769,585	11,835	(135,588)	45,196	**(70,982)**	**-0.79%**	0	9,039,176
Apr-12	744,524	735,251	9,273	(135,553)	45,184	**(61,708)**	**-0.68%**	0	9,036,834
May-12	765,359	754,299	11,060	(135,605)	45,202	**(50,772)**	**-0.56%**	0	9,040,303
June 12	737,921	723,028	14,893	(135,565)	45,188	**(35,917)**	**-0.40%**	0	9,037,685

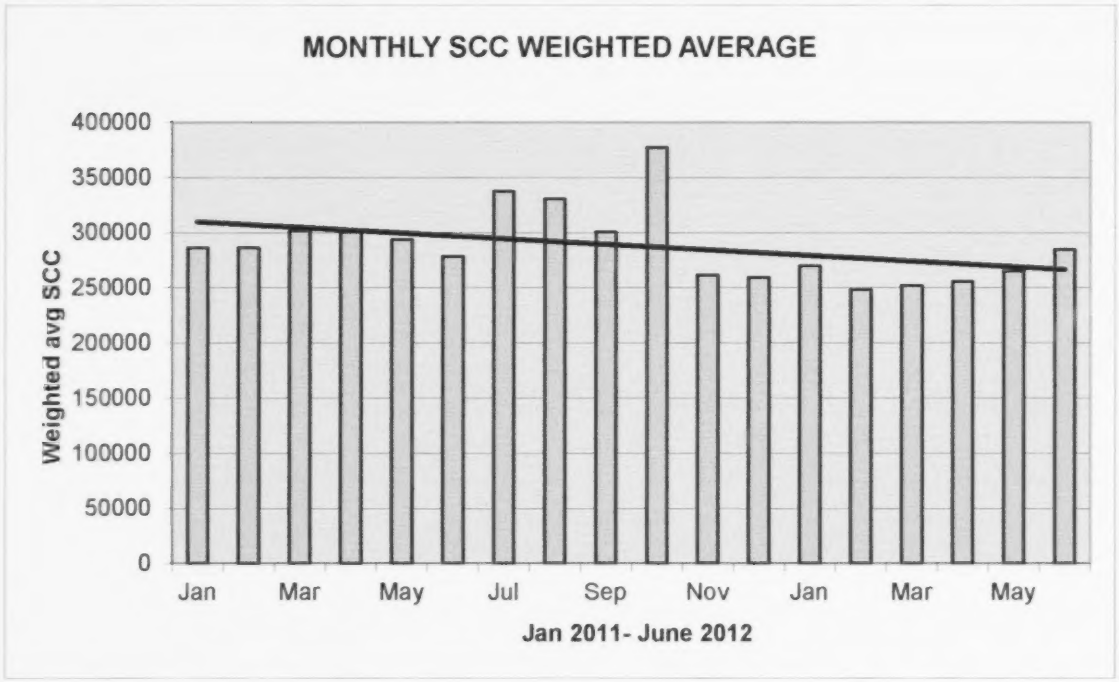
(1) Monthly Production in Saskatchewan
(2) Total Monthly Quota = Class 1 sales + Monthly MSQ + Carry Forward
(3) Difference between the monthly production (1) and the total monthly quota (2)
(4) The Lower Flexibility Limit is -1.5% of Rolling 12 Month Total Quota (9)
(5) The Upper Flexibility Limit is 1.0% of Rolling 12 Month Total Quota (9)
(6) Previous Month Cumulative Over or (Under) Production + Current Monthly Over or (Under) Production (capped at lower or upper limit if applicable)
(7) Equal to Column (6) expressed as a percentage basis within the flexibility limits
(8) Over Quota or (Lost production opportunity) outside of flexibility limits
(9) Total Monthly CDC Quota Allocation for the previous 12 months

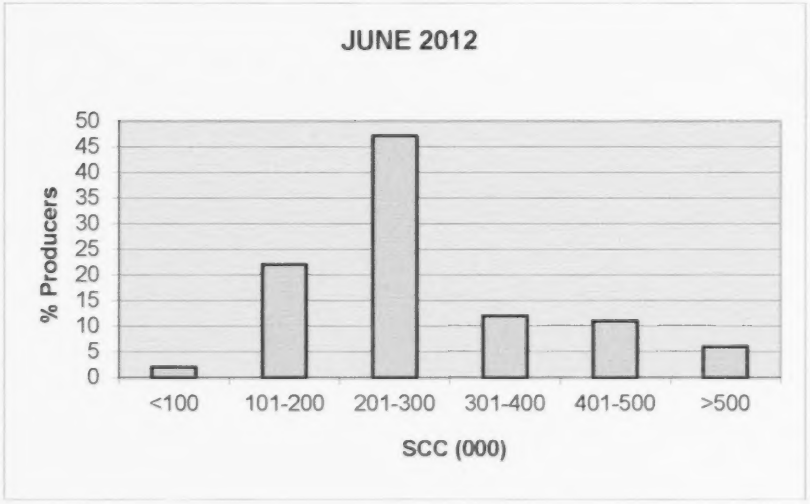
SCC LIMIT CHANGING TO 400,000

Effective August 1, 2012, the SCC limit is changing to 400,000. From August 1, 2012 until December 31, 2012 violation of the new limit will be indicated by a Warning. Penalties will be applied according to the new limit starting January 1, 2013.

The following graphs provide producers with an overview of the Provincial Somatic Cell Count weighted average on a monthly basis as well as a breakdown of the % of producers in each SCC level for the month of June.

If you have any questions contact: Deb Haupstein at 306-721-9486.





MILK WEST'S FLUID MILK ADVERTISING AGENCY SELECTED

Milk West, a fluid milk promotion partnership comprised of Alberta Milk, BC Dairy Association, Dairy Farmers of Manitoba and SaskMilk, have named DDB Canada's Vancouver office as its Agency of Record (AOR). DDB Canada was named AOR following a competitive pitch process involving nine other agencies that started in April 2012. Together, Milk West and DDB Canada commence work immediately developing marketing communications across the west to help increase the consumption of fluid milk.

Recognizing the inherent strengths in working together as a cohesive group, Milk West was developed in response to dairy producers wishing to create efficiency and effectiveness in milk marketing communications across the west. With each provincial organization having equal status, the team includes a variety of professionals with expertise in various areas of marketing communications. Most recently, Dairy Farmers of Canada (DFC) joined this relationship to develop an English Canada milk campaign.

About Milk West:

The Milk West Marketing Partnership (MWMP) is comprised of Alberta Milk, BC Dairy Association, Dairy Farmers of Manitoba and SaskMilk. Recently dairy farmers in these four western provinces approved the partnership to develop marketing communications campaigns across the west in order to build the consumption of fluid milk.

About DDB Canada:

DDB Canada is the most creatively acclaimed, internationally recognized marketing communications agency in Canada. Known for advertising that generates significant results for clients, DDB Canada is a "total communications company" whose fundamental belief is that creativity is the most powerful force in business. DDB Canada has offices in Vancouver, Edmonton, Toronto and Montreal.

DAIRY HERD HEALTH AND SCREENING INITIATIVE

Over the next few weeks SaskMilk will be starting a screening initiative to determine the production limiting disease prevalence in Saskatchewan dairy herds.

Bulk milk samples will be taken from all herds and tested for antibodies to MAP and Leukosis. PCR tests will be used to detect the presence of BVD and contagious mastitis. As well, 6 environmental fecal samples will be taken from manure concentration, manure storage and cow concentration areas on each farm for culture, isolation and molecular typing of MAP organisms.

If you have any questions or concerns regarding this study please contact:
Deb Haupstein at 306-721-9486

JULY 2012 RESEARCH REPORT
BY JACK FORD

Hi everyone, I hope you're haying and silaging are going well. I have several things to talk about this time.

The new barn construction is proceeding very well. The main roof is now 40% completed, cement has been poured in the feed area, the penning and stalls are being installed in the metabolic wing and the gallery is starting to have some of the electrical work completed.

Deb Haupstein and I will be meeting with several of the university people from Animal and Poultry Sciences department, College of Engineering, and Western College of Veterinary Medicine to talk about the next "Dairy Information Day". We are considering holding it at the same time as the annual Crop Production Week in early January. Our goal will be to deal with some topics that our producers showed a great deal of interest in at last year's event and do some in-depth talks on them. Hoof wart problems and barley silage are two of the topics being considered.

Terry Fonstad from the College of Engineering is looking for ideas and suggestions, along with people interested in being co-operating herds, regarding a potential new revenue stream using manure/waste management as the revenue generator. Deb will be sending out a brief questionnaire with your lab results in the near future asking for your input on our proposed timing of the next dairy info day as well as Terry's proposal. If anyone has questions, you can contact the SaskMilk office (Deb), myself or Terry directly at taf134@campus.usask.ca and we will try and answer your questions.

The preliminary trials are underway for the second phase of the glycerol feed development project. They are showing some very interesting early results which could have an extremely positive impact on our industry!

I am sure that you are all well aware of the drought in the United States and the impact it is having on corn production. The USDA announced that they have drastically cut corn production projections. This will have a two fold impact on the entire continent including us.

Firstly, corn will be in extremely short supply and secondly, we could see some dramatic price increases. It doesn't matter if you use corn in your rations or not, you will very likely be negatively affected by this drought and it could very well have a negative impact on your farms' bottom line! I think we all better be planning ahead if it is possible and procure our next 12 months of feed requirements. We all know that the seeded barley acreage is also down considerably plus the fact that several areas received excessive moisture which led to some barley either not emerging or being drowned out. I don't mean to sound like the bearer of bad news, I'm just offering up the idea of trying to figure out how to side step this potential problem by planning ahead.

Thank-you,

Jack Ford

LETTER TO THE EDITOR, WESTERN PRODUCER, JULY 12, 2012

Re: WP story June 21, Supply management 'a problem,' says former Liberal MP (Martha Hall Findlay, former Liberal MP, trade critic and leadership candidate).

It is quite obvious, after her defeat in her own riding in the 2011 election, which must have been very humiliating, Martha Hall Findlay is seeking recognition by making noise or waves regarding supply management.

When she stated that four litres of milk costs $9.60 in Canada ($2.40 per litre), she is misleading the consumers. It makes one wonder where she is really getting her data.

If all her research and publications are as misleading, she would make a poor candidate for leadership in any party.

The facts are milk in Canada is $1.45 per litre, cheaper than $1.65 per litre in New Zealand and $1.55 per litre in Australia.

She is asking the politicians and bureaucrats to step up to the plate to help her bat.

Maybe other politicians have a better knowledge of how important it is to keep supply management in place to protect our ongoing supply of fresh food.

Before publishing these misleading facts, Martha should have contacted Statistics Canada on what the average Canadian spends his or her money. Very little goes toward their grocery bill (see July 9 *Maclean's*).

Going back not too many years, every farmer had a cow, some chickens, turkeys, etc., to feed the family. How much of this do we see now? It is cheaper to get it off the shelves.

If Martha would have any knowledge of agriculture, she would recognize the importance of the people who supply our food.

If she would have done research on what it costs in capital investment to build an operation to keep supplying us with fresh food, she would not have been so eager to get recognition at the expense of supply management.

Last, but not least, hoping it will never happen, but should we ever experience what is happening to other parts of the world where the grocery shelves are empty and no restocking supply to be had, then the importance of the people who supply our food chain would be recognized.

P.J. Hofer,
Moose Jaw, SK (Baildon Colony)

QUOTA LISTING SERVICE

SaskMilk offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota and/or cows or miscellaneous dairy equipment is welcome to contact the SaskMilk office at (306) 949-6999. All prices and negotiations will be independent of SaskMilk.

Please note that ads will be posted in two issues and will then be removed unless SaskMilk is notified otherwise.

COWS & QUOTA FOR SALE

- 15 beautiful registered pure bred heifers for sale. Danny Hofer (403) 502-9997

SASKMILK BOARD OF DIRECTORS

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